



INTERNATIONAL
TRADE
ADMINISTRATION

U.S. Commercial Service / U.S. Department of Commerce U.S. Embassy - Mexico

*in cooperation with
Advanced Business Events*

Present

Selling into Mexico's Automotive Supply Chain

featuring



*November 4, 2014 * 11:00 – 11:45 am ET*



INTERNATIONAL
TRADE
ADMINISTRATION

Discussion Agenda



Kellie Holloway – U.S. Commercial Service, Global Automotive Team
Welcome

Monica Martinez – U.S. Embassy, Mexico City
Mexico Automotive Market Overview and Supply Chain Considerations

Alain Ngoie – Advanced Business Events
Automotive Meetings Querétaro, B2B Matchmaking Program

Christian Trujillo – Fiat Chrysler Automobiles, Head of Indirect Purchasing - Mexico
Auto market forecasts, growth plans, supplier relations

Matt Mahmood – Thermotech Inc., COO
Mexico Growth Strategy, OEM and Tier 1 Customer Trends

Q & A



Overview of the Automotive Industry in Mexico

Monica Martinez
Commercial Specialist





Who we are

The U.S. Commercial Service is an Agency of the U.S. Department of Commerce.

Our mission is primarily to help small and medium size, export-ready companies to enter Mexico and to protect U.S. Business interests abroad.

In Mexico we have three offices. Globally, we have a network of 100+ offices in the U.S. and 75 world-wide.

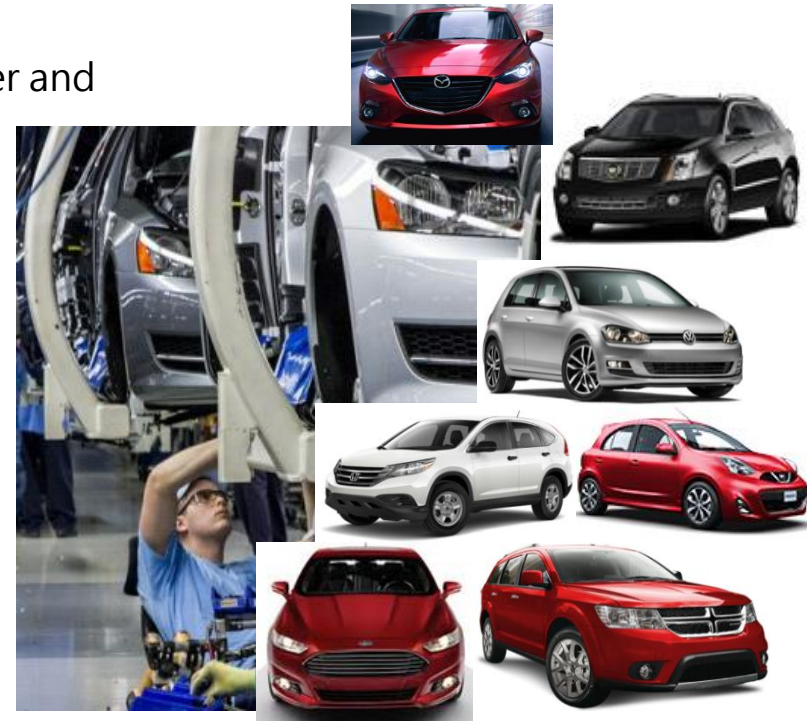


Overview of the Automotive Industry

Mexican Automotive Industry



- ❖ Mexico is the 8th largest worldwide vehicle producer and second in Latin America
- ❖ 3.6% contribution to the national GDP
- ❖ 20.3% national manufacturing GDP
- ❖ Production of three million cars (all-time high)
- ❖ 1.7 percent growth in 2013
- ❖ 82.1% for exports and 17.9% local market
- ❖ 1,063,363 vehicles sold in 2013 (8% growth)
- ❖ 10 automakers in Mexico
- ❖ 42 brands and 300 models
- ❖ 1,700 car dealers nationwide



Source: Amia and INA

Overview of the Automotive Industry

Automotive Geographic Location



Source: Promexico

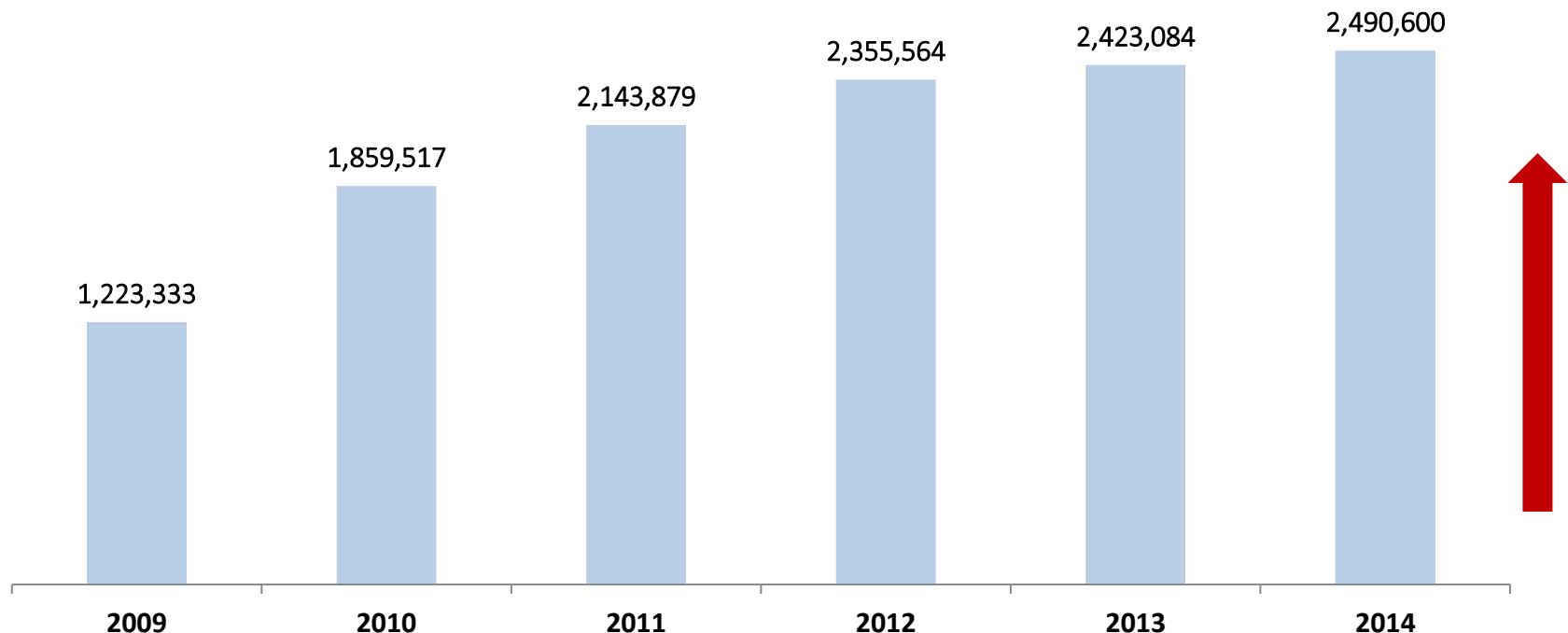
Overview of the Automotive Industry

Mexican Vehicle Exports (Units)

2009 - 2018



4th largest vehicle exporter

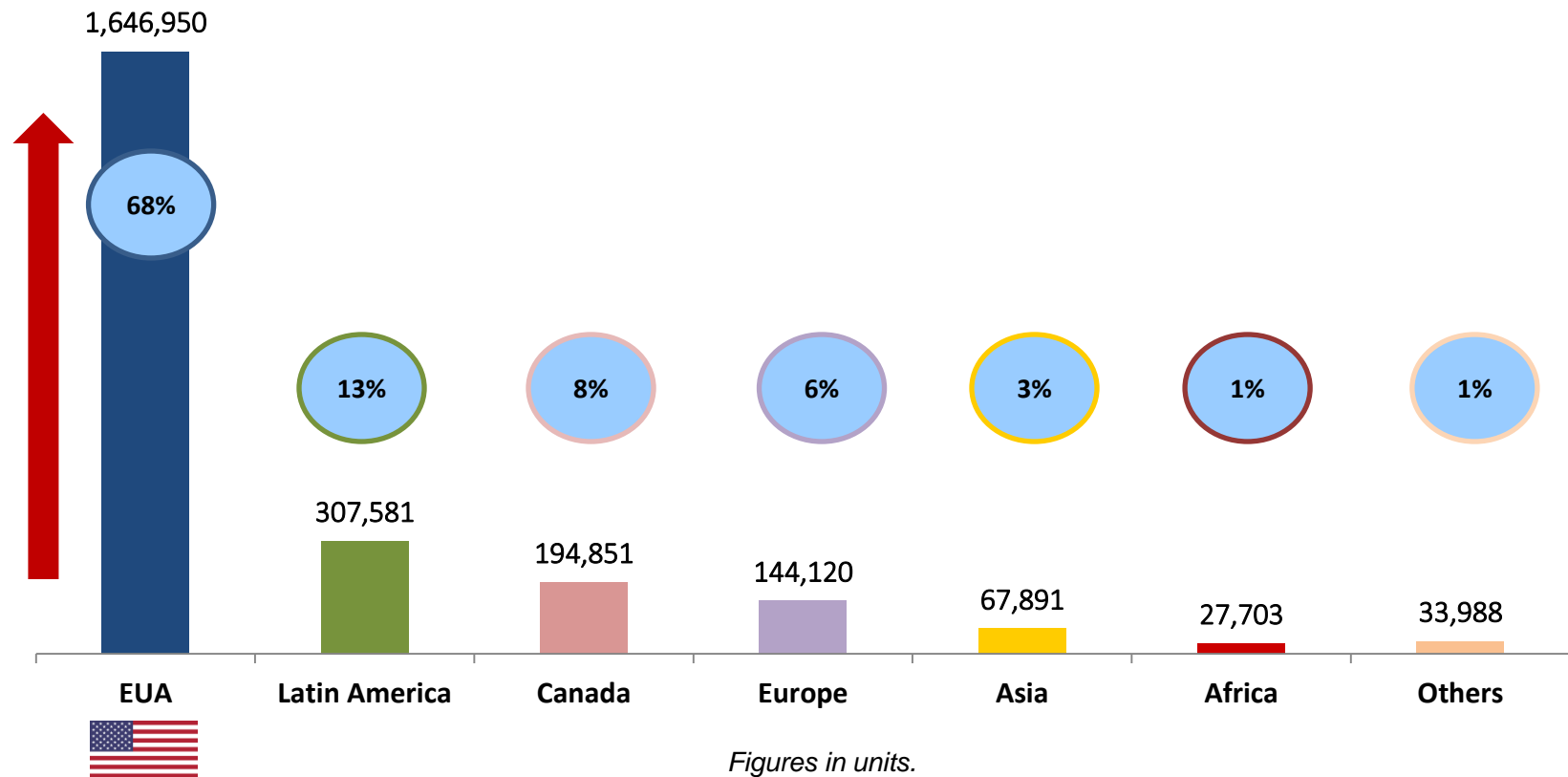


Figures in units.

Source: Mexican Association of Automotive Industry (AMIA)

Overview of the Automotive Industry

Mexican Vehicle Exports per Region 2013 (Units)



Source: Mexican Association of Automotive Industry (AMIA)

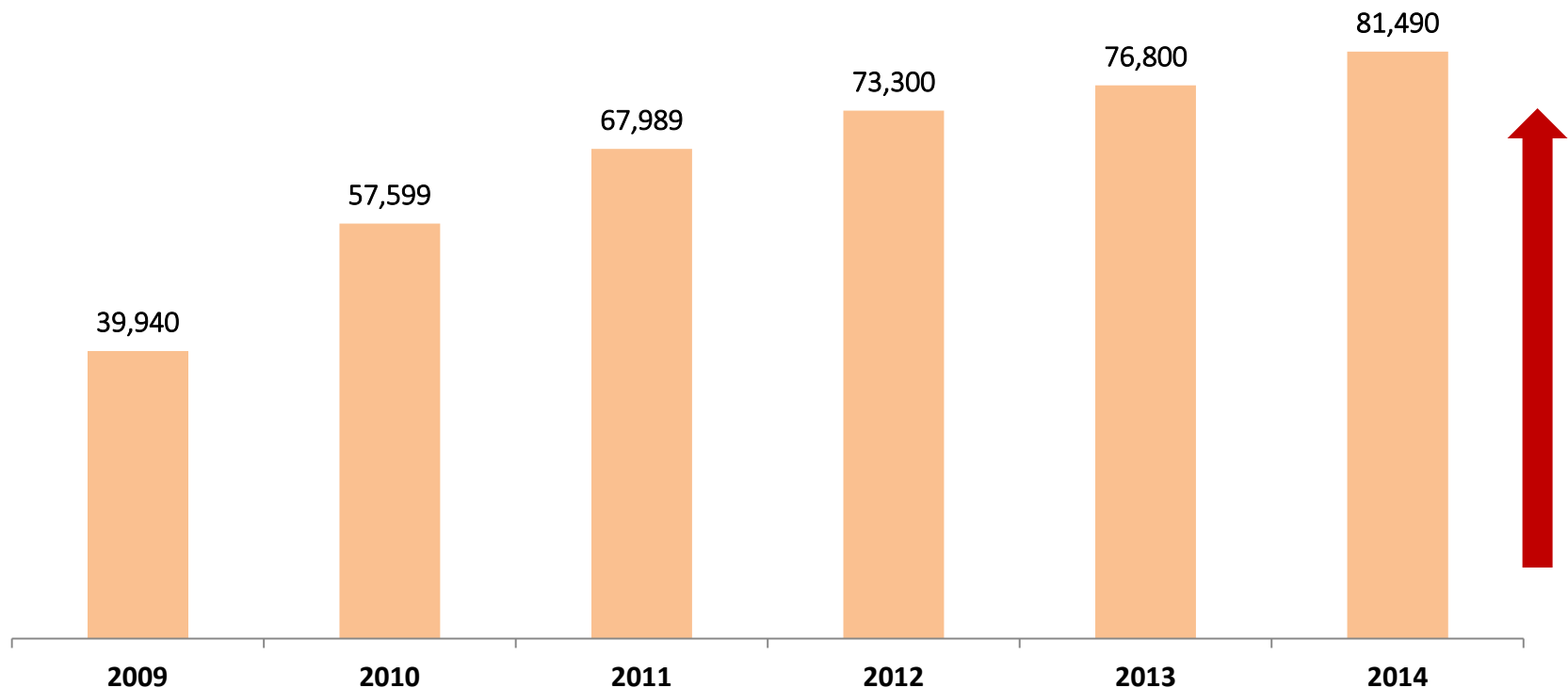
Overview of the Automotive Industry

Mexican Production of Auto Parts

2009-2014 (Billion Dollars)



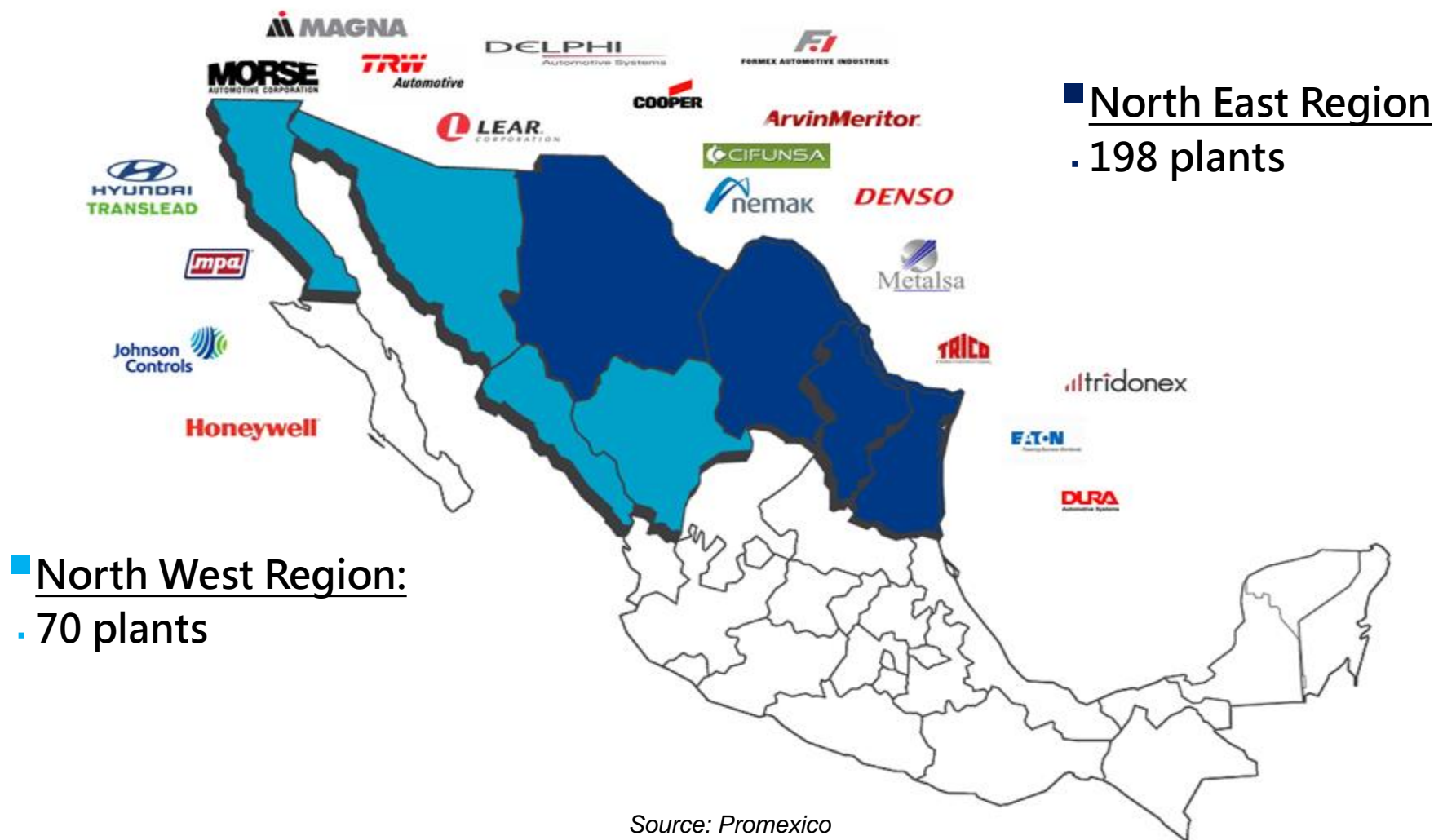
5th largest auto part producer



Source: National Auto parts Industry (INA)

Overview of the Automotive Industry

Auto Part Geographic Location – Northeast and Northwest

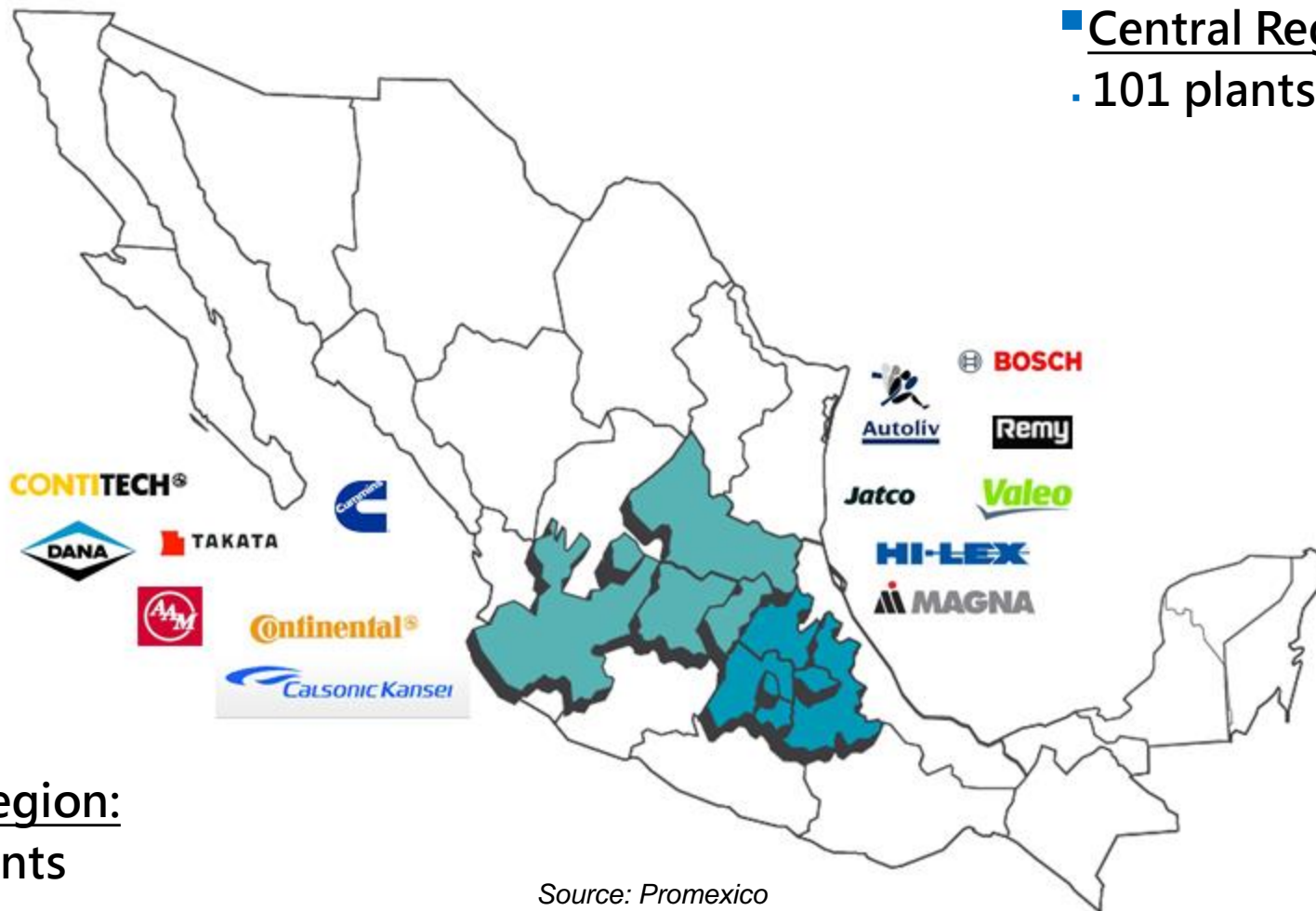


Overview of the Automotive Industry

Auto part Geographic Location – West and Central Regions



- Central Region:
 - 101 plants

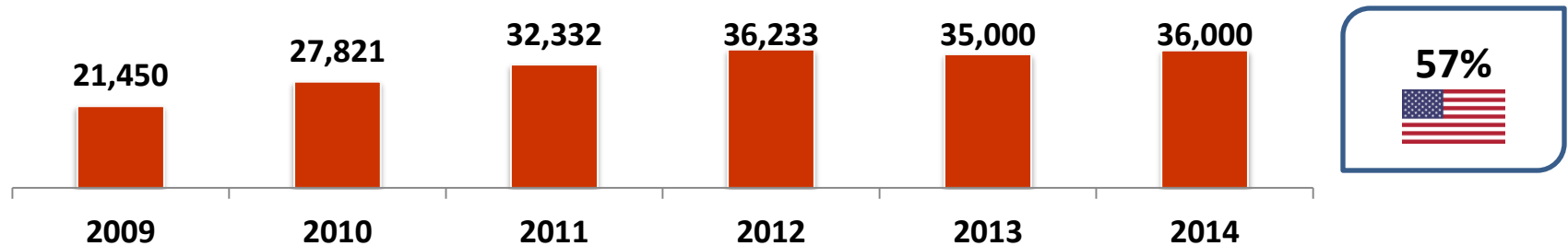


- West Region:
 - 142 plants

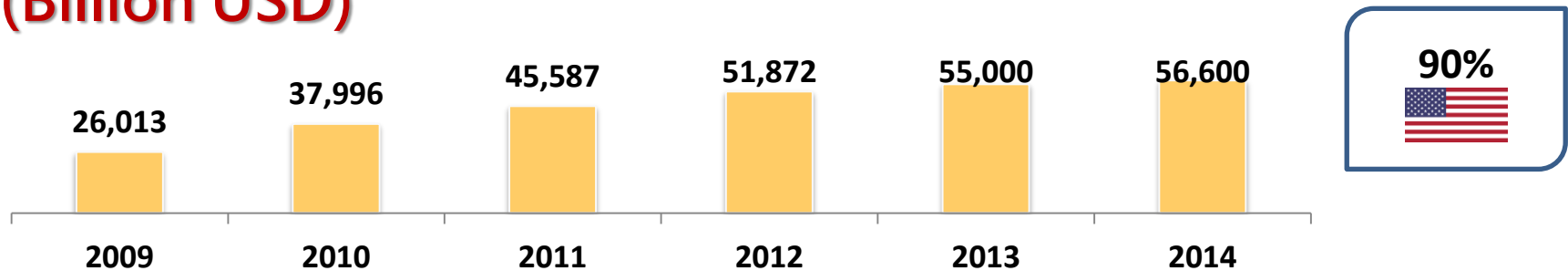
Source: Promexico

Overview of the Automotive Industry

Mexican Auto Part Imports 2009 – 2014 (Billion USD)



Mexican Auto Part Exports 2009-2014 (Billion USD)













Source: National Auto parts Industry (INA)

Overview of the Automotive Industry

OEM Investments (Million / Billions)













| OEM | Investment | Where | Producing |
|-------------------------------------------------------------------------------------|--------------|----------------------------------|----------------------------|
|  | USD\$ 540 M | Toluca / San Luis Potosi | Engines / transmissions |
|  | USD\$ 3 B | Edo Mex / Chihuahua / Guanajuato | Engines / transmissions |
|  | USD\$ 1.25 B | Coahuila | Retooling / Engines |
|  | USD\$ 5 B | Guanajuato / Puebla | Engines |
|  | USD\$ 2 B | Aguascalientes | Production |
|  | USD\$ 2 B | Puebla | Engines / Production |
|  | USD\$ 1.27 B | Guanajuato | Transmissions / Production |
|  | USD\$ 770 M | Guanajuato | Production |
|  | USD\$ 1 B | San Luis Potosi | Production |
|  | USD\$ 1 B | Nuevo Leon | Production |

Source: Promexico

Overview of the Automotive Industry

Tier Supplier - Investments (Millions)



| TIER | Investment | Where | Producing |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------|-----------------------------|
|  | USD\$ 330 M | Huehotzingo, Puebla | Seats |
|  | USD\$ 220 M | Aguascalientes | Transmissions |
|  <small>SUPERIOR INDUSTRIES INTERNATIONAL, INC.</small> | USD\$ 125 M | Chihuahua | Aluminum wheels |
|  | USD\$ 58 M | Silao, Guanajuato | Hydraulic pumps |
|  | USD\$ 37.4 M | Saltillo, Coahuila | Air conditioning components |
|  | USD\$ 33 M | Queretaro | Auto parts |
|  | USD\$ 30 M | Apaseo el Grande, Guanajuato | Seats |
|  | USD\$ 15 M | Tijuana | Auto part remanufacturing |
|  | USD\$ 10.5 M | Celaya, Guanajuato | Foam pieces manufacturing |
|  | USD\$ 6.5 M | Nuevo Leon | Harnesses |

Source: Promexico

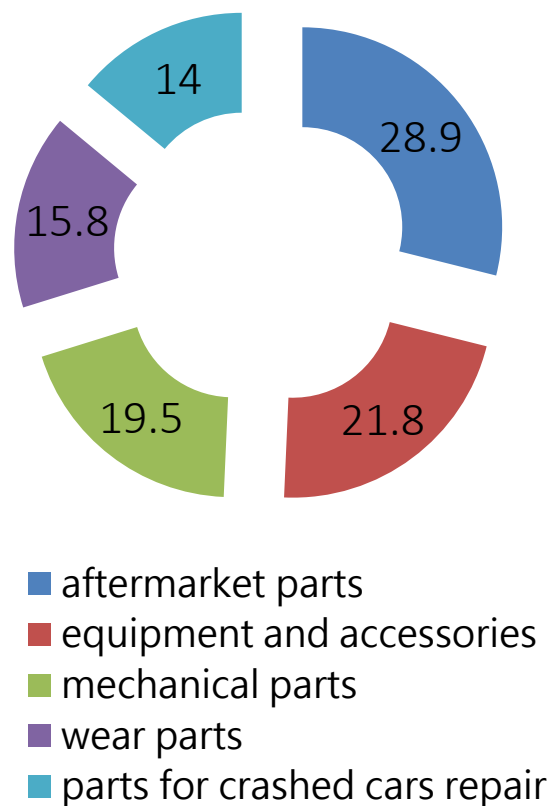
Overview of the Automotive Industry

Aftermarket Industry



- ❖ 32.7 million vehicles
- ❖ Car replacement – 17 years old
- ❖ 10% vehicles 1972 to 1989 year
- ❖ 47% vehicles 1990 to 1999
- ❖ 43% 2000 to 2012
- ❖ 57% total vehicles are 10 years old
- ❖ 40,000 spare parts nationwide
- ❖ Spare parts increase from 8,000 piece numbers to 15,000

**Aftermarket Structure
by Percentages**



Source: Aridra

Contact us today

Monica Martinez
Commercial Specialist for the Automotive Industry
U.S. Commercial Service – Mexico City
E-mail: Monica.Martinez@trade.gov
Phone: 011-52-55-5080-2000 x 5218
export.gov/mexico

Find your local U.S. Commercial Service, Export Assistance Center
export.gov/eac

Global Automotive & Ground Transportation Team
export.gov/industry/auto/index.asp

**U.S. Commercial Service—
Connecting you to global markets.**





abe

advanced
business
events
advbe.com

advbe.com
6A6U12

**European Leading Organizer of
BtoB Meetings Events**



Content

Company presentation

Our expertise

Matchmaking format

Participant profile

How does it work?



Why advanced business events?

Automotive Meetings Queretaro

Proven experience



Leading organizer of business to business events, conferences, congresses for industry professionals and based on a matchmaking format

80 000+ customers – 1000 events

With a portfolio of over 80 000 customers, we have organized nearly 1 000 events in the below industry sectors. Using our concept of pre-planned One-to-One Meetings, our service provides a tailored tool to identify business opportunities, understand and penetrate markets:

In the business for over 25 years

Sectors

Aeronautics - Space - Defense - Security -
Chemistry - Pharmaceutical - Cosmetics -
Energy - Environment - Packaging - Food
Processing

advanced business events

Proudly and globally recognized as a key player whose business is to connect OEMs and suppliers through pre-arranged and focused meetings and conferences.





Our Expertise

Matchmaking programs

Abe puts together venues for industry professionals to connect through pre-arranged and targeted one to one meetings. An opportunity for contract manufacturers, service providers, supply chain, engineering, fabrications, R&D teams to meet and foster business.

Learning Expeditions

Abe offers an outstanding format to explore and penetrate strategic and fast growing markets. These missions provide a small number of participants direct access to key local businesses and government agencies.

B2B Meetings Service at large exhibitions

Abe's expertise is recognized by large exhibition organizers, who contract us to offer a value added service to their exhibitors. This translates into a matchmaking program used by exhibitors to gain more business contacts.





Matchmaking Format

◆ Professionals use our detailed nomenclature of capabilities, services and commodities to describe their requirements or offer.

◆ An outstanding online tool to identify and request meetings with relevant and targeted business contacts prior to the event.

◆ Save time and money, meet the right partner and develop new leads in just 2 days.

A TURNKEY SERVICE



Participant Profile

Want to meet suppliers and manufacturing partners!

Involved in:

- Supply chain
- Procurement
- Purchasing
- Engineering
- Fabrication
- R&D
- Etc.



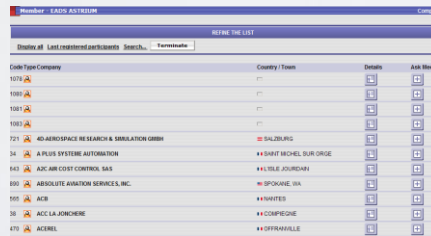
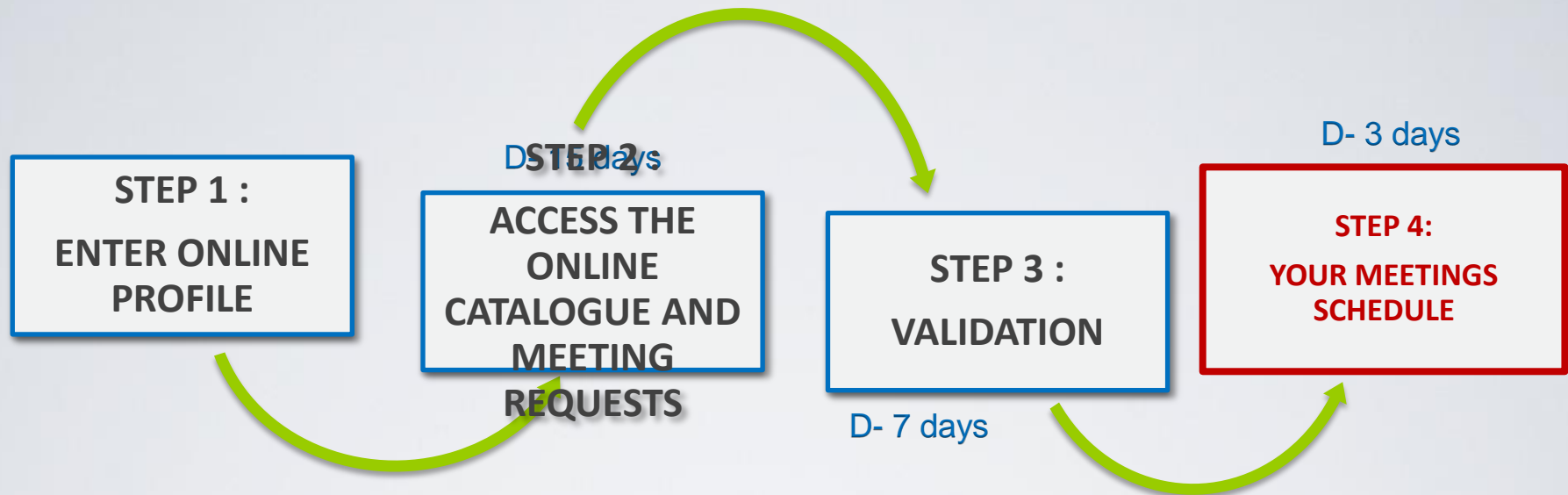
Want to sell capabilities, products or services!

Involved in:

- Sales
- Marketing
- Technical production
- Business development
- Etc.



How Does it Work?





Why advanced business events?

- **Experience:** professional sales teams. Simple and efficient methodology
- **Size:** 50+ employees located in France, Italy, USA, Mexico and China. Flexibility
- **Reference:** Government agencies, majors OEMs from around the world trust our expertise
- **Guarantee:** unrivalled leader in the BtoB segment



Automotive Meetings Queretaro

2nd Edition

Automotive MEETINGS

Design Office • **Queretaro • Mexico • February 23-25, 2015** • development • CAD electronics • Cold striking • Welding • Boilermaking • Industrial Information Technology • Command control systems • Electronic components • Engineering • Embedded systems • Hydraulic components • Plastic injection • Fixing systems • Combustion, energetics • Software • Technical textiles • Undercutting • Raw materials • Sheetting • Cutting • Maintenance • Thermal and surface treatment • Electronics • Materials • Plastics processing • Pressing Mechanics • Tube working • Pollutants removal • Moulding • Optics / Optronics • Analysis, metrology • Design Office • Foundry • R&D • CAD electronics • Cold striking • Welding • Boilermaking • Industrial Information Technology • Command control systems • Electronic components • Engineering • Embedded systems • Hydraulic components • Plastic injection • Fixing systems • Combustion, energetics • Software • Technical textiles • Undercutting • Raw materials • Sheetting • Cutting • Maintenance • Thermal and surface treatment • Electronics • Materials • Plastics processing • Pressing Mechanics • Tube working • Pollutants removal • Moulding • Optics / Optronics • Analysis, metrology • Design Office • Foundry • R&D • CAD electronics

International Business Convention for the Automotive Industry

MEXICO Queretaro

www.automotivemeetings.com

Industrial Support 2015

Organized by **abe**

Jointly with **Queretaro**



3 trade days: 1 conference day and 2 matchmaking days



450 companies:

- 300+ delegates from supply chain (buyers)
- 350 suppliers with manufacturing capabilities (vendors)



20 countries for international business



8500+ pre-arranged one on one meetings



Automotive Meetings Queretaro

The screenshot shows the website for Automotive Meetings Queretaro - Mexico, February 23-25, 2015. The website is in English and features a dark background with a gear graphic. A central white box lists the following partners:

- Industrial Partners:** Ford, Honda, Mazda, Autoliv, Continental, EATON, TREMEC, TRW.
- Institutional Support from:** PROMEXICO, JETRO Mexico, FONDO PYME, SE, PUELA, UBRANCE, AHK, DE, PROCOMER, ADVANTAGE AUSTRIA, Canada, jica, SWITZERLAND ENTERPRISE.
- Official Support from:** AMIA, IN.
- Organized by:** abe.
- Jointly with:** GOVERNMENT OF QUERETARO, QUERETARO.
- In partnership with:** AGORA.

The website also includes a sidebar with navigation links (Home, Concept, Automotive, Sign up, Useful info, Program, Partners, Participants, Sponsorship, Press, Downloads, Our Team, 2013 Edition) and a bottom section for the 2013 Media Gallery.



Proven experience



INDUSTRY

Aeronautics /Space /Defense

✓ AEROMART

✓ AEROSPACE MEETINGS

✓ AEROSPACE & DEFENSE MEETINGS

✓ BtoB MEETINGS FOR AIRSHOWS

www.bciaerospace.com





Proven experience



INDUSTRY

Advanced technologies

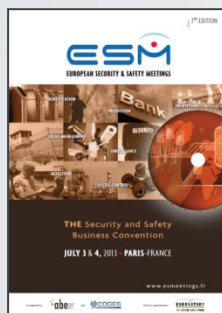
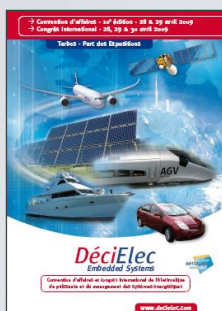
- ✓ RAIL INDUSTRY MEETINGS
- ✓ CITEXT
- ✓ CIAMED
- ✓ DECIELEC
- ✓ NAVAL MEETINGS
- ✓ COMPOSITE MEETINGS,...

Processing

- ✓ PROFOOD
- ✓ SECUR'FOOD

Services

- ✓ EUROPEAN SECURITY & SAFETY MEETINGS





Proven experience



ENVIRONMENT

- ✓ CHINA EUROPA
- ✓ ENR GREEN
- ✓ BtoB Meetings AMERICANA
- ✓ WASTE MEETINGS



PACKAGING

- ✓ JOURNEES DE L'EMBALLAGE
- ✓ PACKINNOVE
- ✓ PACKINNOVE MACHINE
- ✓ CONGRES BEAUTE ET PACKAGING





Matt Mahmood, Chief Operating Officer
Thermotech, Inc.

Thermotech is a manufacturer of high-precision, high-volume injection molded electrical and mechanical components and assemblies, primarily for the automotive, small engine, consumer, electronic, industrial, recreational vehicle, heavy truck, medical, and business aircraft sectors.



Unique and Strategically-Positioned Geographic Footprint

Thermotech's three facilities in Mexico cover the three major industrial centers and are strategically positioned near major existing and potential future customers, many of which are often within or nearby the same industrial parks and cities of the Company's facilities.

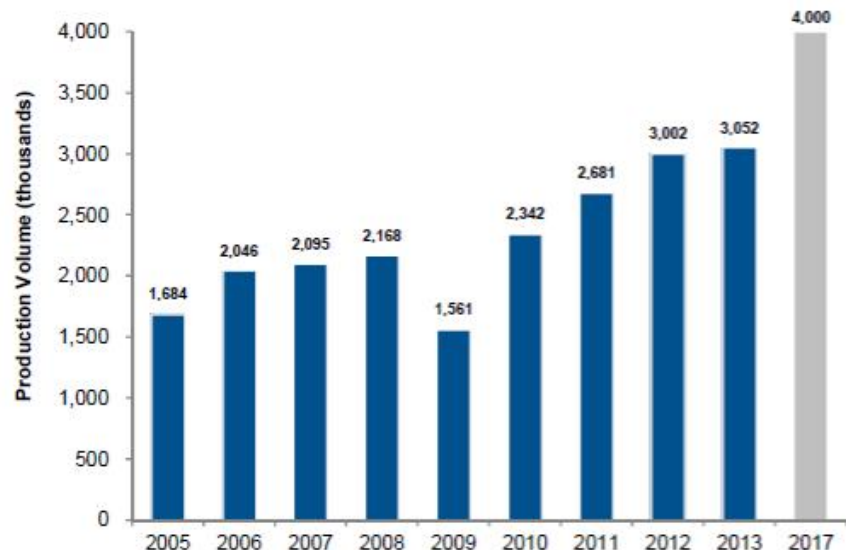


The Mexico Automotive Industry is Booming

Auto output in Mexico rose 7.4% during the first half of 2014, to 1.6 million vehicles, bolstered by new plants owned by Nissan, Honda, and Mazda, according to the Mexican Automobile Industry Association.

- In the past six months alone, Kia, Honda, Audi, BMW and the Renault, Nissan and Daimler partnership have either begun manufacturing light vehicles from new Mexican factories or disclosed plans to do so shortly
 - In all, approximately \$9 billion in new automotive projects have gone online or been announced since President Enrique Peña Nieto took office 20 months ago
- “People talk about the energy and telecom industries in Mexico, but the auto industry is going to continue as the icon of this country.” – Luis Lozano, lead automotive partner at PricewaterhouseCoopers in Mexico City

Cars and Commercial Vehicle Production in Mexico



Source: OICA (2005 – 2013); Mexico Automotive Review (2017)

North American Light Vehicle Production



Source: PricewaterhouseCoopers LLP and Company management



INTERNATIONAL
TRADE
ADMINISTRATION



Christian Trujillo-Rojas
Head of Indirect Purchasing
Fiat Chrysler Automobiles



Total Employment: (January 2014): 10,176
Major Brands: Ram, Dodge, Chrysler, Jeep, Mopar, Fiat, Alfa Romeo and Mitsubishi
Vehicles Sold: (December 2013) : 96,303
Total Production: (December 2013) : 439,110